TOWN OF BROOKER, FLORIDA
ANNUAL FINANCIAL REPORT
September 30, 2025

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FINANCIAL SECTION

Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
and the Town Council
Town of Brooker, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Brooker, Florida (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Brooker, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Brooker, Florida's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Brooker, Florida's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Brooker, Florida's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2026, on our consideration of the Town of Brooker, Florida's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Brooker, Florida's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Brooker, Florida's internal control over financial reporting and compliance.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 15, 2026

TOWN OF BROOKER, FLORIDA
MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the Town of Brooker's (the Town) annual financial report, the Town's management provides this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. We hope this will assist readers in identifying any significant financial issues and changes in the Town's financial position.

Financial Highlights

- As of September 30, 2025, the assets of the Town exceeded its liabilities by $2,591,910 (net position). The Town's net position increased by $139,509 as a result of this year's operations. Governmental activities decreased by $42,105, while business-type activities increased by $181,614. The increase in business-type activities is primarily due to the SRWMD meter capital grant of $209,128. Without this grant, the business-type activities would have shown a $27,514 loss, which is primarily due to depreciation as the fund shows positive cash flows of $5,600.

- For the year, the Town's total revenues exceeded total expenses by $139,509.

- Unrestricted net position of $489,300 represents the portion available to maintain the Town's continuing obligations to its citizens and creditors.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the Town's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The Town also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The Town's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Town's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the Town-wide statement of financial position presenting information that includes all of the Town's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town as a whole is improving or deteriorating. Evaluation of the overall economic health of the Town would extend to other non-financial factors such as diversification of the taxpayer base or the condition of Town infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the Town's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct activities or functions on revenues provided by the Town's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Town that are principally supported by taxes and intergovernmental revenues, such as grants. Governmental activities include general government, public safety, public services, and culture and recreation. The business-type activities include the water services and sanitation services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Town uses funds (and/or separate bank accounts) to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Town's most significant funds rather than the Town as a whole. Major funds are required to be separately reported while all others are combined into a single, aggregated presentation. Presently, the Town has only one fund that encompasses the Town's governmental operations and only one business-type fund that encompasses the Town's water and sanitation services.

Governmental funds

Most of the Town's basic services are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs.

Since the government-wide focus includes the long-term view, comparisons between the two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliations to the government-wide statements to assist in understanding the differences between these two perspectives.

Proprietary funds are reported in the fund financial statements and generally report services for which the Town charges customers a fee. Presently, the Town has one fund that qualifies as a proprietary fund – the Water fund.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Financial Analysis of the Town as a Whole

The Town's combined net position totaled $2,591,910 and $2,452,401 as of September 30, 2025 and 2024, respectively. The capital assets are shown net of depreciation. The following table provides the details for the years ended September 30, 2025 and 2024:

The Town continues to maintain a high current ratio of 35 compared to 17 in the prior year. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. A large portion of the Town's net position is classified as capital assets. The Town uses these capital assets to provide services to its citizens.

	Governmental Activities		Business-type Activities		Totals	
	2025	2024 (restated)	2025	2024 (restated)	2025	2024 (restated)
Assets:						
Current Assets	$ 377,749	$ 416,077	$ 208,865	$ 193,555	$ 586,614	$ 609,632
Capital Assets	1,412,846	1,435,849	609,284	435,675	2,022,130	1,871,524
Total Assets	1,790,595	1,851,926	818,149	629,230	2,608,744	2,481,156
Liabilities:						
Current Liabilities	850	20,076	15,984	8,679	16,834	28,755
Net Position:						
Invested in capital assets, net of related debt	1,412,846	1,435,849	609,284	435,675	2,022,130	1,871,524
Restricted	80,480	30,584	-	-	80,480	30,584
Unrestricted	296,419	365,417	192,881	184,876	489,300	550,293
Total Net Position	$ 1,789,745	$ 1,831,850	$ 802,165	$ 620,551	$ 2,591,910	$ 2,452,401

The following is a summary of the Town's change in net position for the years ended September 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024 (restated)	2025	2024 (restated)	2025	2024 (restated)
Revenues:						
Taxes	$ 139,988	$ 105,500	$ -	$ -	$ 139,988	$ 105,500
Intergovernment	21,111	44,488	-	-	21,111	44,488
Charges for Services	3,554	2,621	105,781	105,636	109,335	108,257
Grants and Contributions	5,454	208,410	209,128	-	214,582	208,410
Miscellaneous	7,985	10,309	2,727	11,620	10,712	21,929
Total	178,092	371,328	317,636	117,256	495,728	488,584
Expenditures:						
General Government	132,774	108,106	-	-	132,774	99,463
Public Safety	8,802	3,622	-	-	8,802	3,622
Physical Environment	12,905	14,745	-	-	12,905	14,745
Transportation	51,255	42,336	-	-	51,255	42,336
Culture & Recreation	14,461	12,778	-	-	14,461	12,778
Water & Sanitation	-	-	136,022	117,325	136,022	117,325
Total	220,197	181,587	136,022	117,325	356,219	290,259
Change in Net Position	(42,105)	189,741	181,614	(69)	139,509	189,672
Net Position, Beginning	1,831,850	1,642,109	620,551	620,620	2,452,401	2,262,729
Net Position, Ending	$ 1,789,745	$ 1,831,850	$ 802,165	$ 620,551	$ 2,591,910	$ 2,452,401

Financial Analysis of the Town's Funds

Governmental Funds

The Town's governmental fund provides short-term information. The fund balance is a useful measure of a government's net resources available for spending. For the year ended September 30, 2025, the fund balance of the General Fund decreased by $19,102, or 5%, compared to a $10,760, or 3% increase for prior year.

Proprietary Funds

The Town's proprietary fund financial statements provide more detailed information than in the government-wide financial statements. For the year ended September 30, 2025, unrestricted net position of the Proprietary Fund increased by $8,005 to a balance of $192,881.

General Fund Budgetary Highlights

The Town's actual revenues were less than budgeted revenues by $53,114. As a result, the Town realized approximately 77% of its budgeted revenues.

Total actual expenditures were less than budgeted expenditures by $34,012, and the Town expended approximately 85% of its authorized budget for the year. Most departments experienced favorable budget variances; however, public safety and culture and recreation exceeded their budgeted amounts.

The unfavorable variances in these areas were primarily due to capital outlay expenditures.

Capital Asset and Debt Administration

Capital Assets

Capital asset activity during the current year included upgrades to land for future use in constructing a fire station in subsequent years, improvements to the Town's water system, and the installation of a fence at the park. These additions were offset by depreciation expense totaling $88,459. As a result, total capital assets, net of accumulated depreciation, increased from $1,871,524 at September 30, 2024, to $2,022,130 at September 30, 2025.

Long-term Debt

As of September 30, 2025, the Town had no outstanding long-term debt.

Economic Environment and Next Year's Budgets and Rates

Local governments primarily rely on taxes and shared revenues received from the State of Florida and a limited array of other taxes and fees to finance the governmental activities. The Town anticipates that these amounts will remain stable.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Town Clerk's office at (352) 485-1022.

BASIC FINANCIAL STATEMENTS

TOWN OF BROOKER, FLORIDA
STATEMENT OF NET POSITION
September 30, 2025

	Governmental Activities	Business-Type Activities	Total
Current Assets			
Cash and Cash Equivalents	$ 277,744	$ 183,386	$ 461,130
Cash and Cash Equivalents - Restricted	80,480	16,777	97,257
Accounts Receivable, Net	1,411	8,702	10,113
Due from Other Governmental Units	18,114	-	18,114
Total Current Assets	377,749	208,865	586,614
Capital Assets, net	1,412,846	609,284	2,022,130
Total Assets	$ 1,790,595	$ 818,149	$ 2,608,744
Liabilities and Net Position			
Current Liabilities			
Accounts Payable	$ 850	$ -	$ 850
Customer Deposits	-	15,984	15,984
Total Current Liabilities	850	15,984	16,834
Net Position			
Net Investment in Capital Assets	1,412,846	609,284	2,022,130
Restricted	80,480	-	80,480
Unrestricted	296,419	192,881	489,300
Total Net Position	1,789,745	802,165	2,591,910
Total Liabilities and Net Position	$ 1,790,595	$ 818,149	$ 2,608,744

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

		Program Revenues			
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense)
Governmental Activities:					
General Government	$ 132,774	$ -	$ 5,454	$ -	$ (127,320)
Public Safety	8,802	279	-	-	(8,523)
Physical Environment	12,905	-	-	-	(12,905)
Transportation	51,255	-	-	-	(51,255)
Culture and Recreation	14,461	3,275	-	-	(11,186)
Total Governmental Activities	220,197	3,554	5,454	-	(211,189)
Business-type Activities					
Sanitation Services	-	21,731	-	-	21,731
Water Utilities	136,022	84,050	-	209,128	157,156
Total Business-type Activities	136,022	105,781	-	209,128	178,887
Total Primary Government	$ 356,219	$ 109,335	5,454	209,128	(32,302)
General Revenues					
Taxes					
Property			3,165	-	3,165
Discretionary Sales Surtax			56,601	-	56,601
Utility Tax			12,433	-	12,433
Local Option Gas Tax			35,767	-	35,767
Local Half Cent Tax			24,692	-	24,692
Communication Tax			7,330	-	7,330
General Intergovernmental Revenue			21,111	-	21,111
Investment Income			4,896	2,727	7,623
License and Permits			387	-	387
Miscellaneous			2,702	-	2,702
Total General Revenues			169,084	2,727	171,811
Change in Net Position			(42,105)	181,614	139,509
Net Position, Beginning of Year, Previously Reported			1,840,503	611,898	2,452,401
Prior Period Adjustment			(8,653)	8,653	-
Net Position, Beginning of Year, as Restated			1,831,850	620,551	2,452,401
Net Position, End of Year			$ 1,789,745	$ 802,165	$2,591,910

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
GOVERNMENTAL FUND
BALANCE SHEET
September 30, 2025

Assets		
Current Assets		
Cash and Cash Equivalents	$	277,744
Cash and Cash Equivalents - Restricted		80,480
Accounts Receivable		1,411
Due from other Governmental Units		18,114
Total Assets	$	377,749
Liabilities and Fund Balances		
Liabilities		
Current Liabilities		
Accounts Payable	$	850
Total Current Liabilities		850
Fund Balance		
Restricted		80,480
Unassigned		296,419
Total Fund Balances		376,899
Total Liabilities and Fund Balances	$	377,749

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
September 30, 2025

Total Fund Balance - Total Governmental Funds	$ 376,899
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets of $1,777,339 net of accumulated depreciation of $364,493 are not financial resources and, therefore, are not reported in the funds	1,412,846
Net Position of Governmental Activities	$ 1,789,745

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended September 30, 2025

Revenues		
General Revenues		
Taxes		
Property	$	3,165
Discretionary Sales Surtax		56,601
Franchise and Utility Taxes		12,433
Local Option Gas Tax		35,767
Local Half Cent Tax		24,692
Communication Tax		7,330
Intergovernmental Programs		21,111
Fines and Forfeitures		279
Licenses and Permits		387
Rental Income		3,275
Operating Grants		5,454
Investment Income		4,896
Miscellaneous		2,702
Total Revenues		178,092
Expenditures		
Current		
General Government		126,524
Public Safety		7,383
Physical Environment		12,905
Transportation		12,515
Culture and Recreation		7,930
Capital Outlay		
Public Safety		21,950
Culture and Recreation		7,987
Total Expenditures		197,194
Excess of Revenues Over/(Under) Expenditures		(19,102)
Fund Balance, Beginning of Year, Previously Reported		404,654
Prior Period Adjustment		(8,653)
Fund Balance, Beginning of Year, as Restated		396,001
Fund Balance, End of Year	$	376,899

TOWN OF BROOKER, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended September 30, 2025

Net Change In Fund Balances - Total Governmental Fund	$ (19,102)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is capitalized and depreciated over their estimated useful lives. This is the amount by which current year capital outlay of $29,937 is less than depreciation expense of $52,940.	(23,003)
Change In Net Position of Governmental Activities	$ (42,105)

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
PROPRIETARY FUND
STATEMENT OF NET POSITION
September 30, 2025

Assets	
Current Assets	
Cash and Cash Equivalents	$ 183,386
Cash and Cash Equivalents - Restricted	16,777
Accounts Receivable, Net	8,702
Total Current Assets	208,865
Capital Assets	609,284
Total Assets	818,149
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Customer Deposits	15,984
Total Liabilities	15,984
Net Position	
Net Investment in Capital Assets	609,284
Unrestricted	192,881
Total Net Position	802,165
Total Liabilities and Net Position	$ 818,149

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
PROPRIETARY FUND
STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2025

Operating Revenues	
Water Sales	$ 81,413
Sanitation Services	21,731
Miscellaneous	2,637
Total Operating Revenues	105,781
Operating Expenses	
Personal Services	11,400
Repairs and Maintenance	28,509
Other Operating Expenses	60,594
Depreciation	35,519
Total Operating Expenses	136,022
Operating Loss	(30,241)
Nonoperating Revenue	
Investment Income	2,727
Capital Contributions	
SRWMD Meter Capital Grant	209,128
Change in Net Position	181,614
Beginning Net Position, as Previously Reported	611,898
Prior Period Restatement	8,653
Beginning Net Position, as Restated	620,551
Ending Net Position	$ 802,165

See accompanying notes to the financial statements.

TOWN OF BROOKER, FLORIDA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2025

Cash Flows From Operating Activities	
Receipts from Customers	$ 105,369
Payments to Suppliers of Goods and Services	(91,096)
Payments to Employees	(11,400)
Net Cash Provided by Operating Activities	2,873
Cash Flows From Capital and Related Financing Activities	
Capital Contributions/Capital Grant Received	209,128
Purchase of Capital Assets	(209,128)
Net Cash Used by Capital and Related Financing Activities	-
Cash Flows From Investing Activities	
Interest Received	2,727
Net Cash Provided by Investing Activities	2,727
Net Increase in Cash and Cash Equivalents	5,600
Cash and Cash Equivalents, Beginning of Year	194,563
Cash and Cash Equivalents, End of Year	$ 200,163
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	$ (30,241)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation Expense	35,519
Change in assets and liabilities	
Accounts Receivable, net	(1,057)
Accounts Payable	(1,993)
Customer Deposits	645
Net Cash Provided by Operating Activities	$ 2,873
Reconciliation to Balance Sheet:	
Cash and Cash Equivalents	$ 183,386
Cash and Cash Equivalents - Restricted	16,777
Cash and Cash Equivalents, End of Year	$ 200,163

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The Town of Brooker (the Town) was incorporated as a municipality established under the laws of the State of Florida. The Town was established by Chapter 6329, Laws of Florida, Special Acts in 1911. The Town operates under a Mayor-Council form of government and provides services to its citizens including public safety, sanitation, maintenance of streetlights, and other general governmental activities. In addition, the Town owns and operates a water system.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies used by the Town are discussed below.

Financial Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. As defined by GASB, component units are legally separate entities that are included in the Town's reporting entity because of the significance of their operating or financial relationships with the Town. Based on the aforementioned criteria, the Town has no component units.

Basis of Presentation

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and the fund financial statements are required to categorize primary activities as either governmental or business-type.

The Town's general government, public safety, physical environment, transportation, and culture and recreation services are classified as governmental activities. The Town's water and sanitation services are classified as business-type activities.

Basic Financial Statements – Govemment-wide Statements

In the government-wide Statement of Net Position the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – invested in capital assets, net of related debt, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying expenditures.

The government-wide Statement of Activities reports both gross and net costs of each of the Town's functions (fire, general government, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenditures (including depreciation) by the related charges for service and operating and capital grants (program revenues). Program revenues must be directly associated with the function (public safety, general government, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs by function or business-type activity are normally covered by general government revenues.

The Town does not allocate indirect costs. The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Separate statements are required to be presented for governmental and proprietary activities. These statements are required to present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column. The Town currently has only one governmental fund and one enterprise fund for reporting purposes.

General Fund

The General Fund is the general operating fund of the Town. This fund is used to account for all financial resources, not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Enterprise Fund

The Enterprise Fund, also referred to as the Water Fund, is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The government-wide focus is more on the sustainability of the Town as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The governmental activities and business-type activities in the government-wide financial statements are reported using the economic resources measurement focus and on the accrual basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers taxes and licenses as available if collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred. The revenues susceptible to accrual are taxes, franchise fees, and intergovernmental revenues.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred. Operating revenues and expenses generally result from providing services associated with the fund's principal ongoing operations.

Deposits and Investments

The Town's cash balances consist of checking accounts, which may include interest-bearing accounts.

Florida Statutes require all monies collected by the Town to be deposited in accordance with Section 218.415(17), Florida Statutes. Authorized investments include the Local Government Surplus Funds Trust, direct obligations of the United States Government, obligations unconditionally guaranteed by the United States Government, time deposits and savings accounts of Florida Qualified Depositories, obligations of Federal Farm Credit Banks, and obligations of the Federal National Mortgage Association.

The Town has not adopted a formal deposit and investment policy that further limits its allowable deposits and investments. However, the Town maintains its cash balances in checking accounts with qualified public depositories.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned. At year-end, the Town's deposits, including interest-bearing checking accounts, were covered by federal depository insurance or by collateral held by the Town's custodial bank, which is pledged to a state trust fund that provides security in accordance with the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, for amounts held in excess of FDIC coverage. Accordingly, the Town had no deposits exposed to custodial credit risk at year-end.

Cash

For purposes of the statement of cash flows, the Town considers cash on hand, demand deposits, restricted cash, and highly liquid investments with original maturities of three months or less when purchased to be cash and cash equivalents.

Receivables

Receivables are recorded at their estimated net realizable value. Accordingly, they have been adjusted for all known doubtful accounts, including utility customer accounts receivable, where applicable.

Interfund Receivables and Payables

Activity between funds that is representative of lending or borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. As of September 30, 2025, the Town had no interfund receivables or payables outstanding.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, and furniture, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of $200 or more and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their acquisition value on the date donated.

Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Depreciation has been calculated on each class of property using the straight-line method. The estimated useful lives are as follows:

Asset	Years
Buildings	15 - 40
Improvements	10 - 50
Machinery, Vehicles, Equipment, and Furniture	5 - 10
Infrastructure	30

Government-wide Financial Statements – Net Position

Equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. As of September 30, 2025, restricted net position consisted of $80,480 restricted for infrastructure improvements and expenditures funded by local option transportation taxes.

Unrestricted net position – consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

The Town's policy is to consider restricted resources as expended whenever both restricted and unrestricted resources are available.

Governmental Fund Financial Statements – Fund Balance

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in governmental funds may be spent.

Nonspendable fund balance – consists of amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to remain intact. Examples include inventory, prepaid items, property held for resale, and long-term notes receivable.

Restricted fund balance – consists of amounts constrained to specific purposes that are either *externally imposed by creditors, grantors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.* This definition is consistent with the definition of restricted net position used in the government-wide financial statements.

Committed fund balance – consists of amounts constrained for specific purposes pursuant to formal action of the government's highest level of decision-making authority (ordinance).

Assigned fund balance – consists of amounts intended to be used for specific purposes but that do not meet the criteria to be classified as restricted or committed. Such amounts may be assigned by approval of a resolution by the Town Council or by majority vote of the Town Council.

Unassigned fund balance – consists of the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications.

The Town considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and the disclosure of contingent assets and liabilities at the date of the financial statements.

Actual results could differ from those estimates.

NOTE 2 - INVESTMENT INCOME

Investment income reported during the year consisted of interest earned on the Town's deposits and interest-bearing accounts. As of September 30, 2025, the Town did not report any separate investment balances.

NOTE 3 – BUDGET AND BUDGETARY ACCOUNTING

The Town follows the procedures below in establishing the budgetary data reflected in the financial statements:

- In June, the Town Clerk submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted during July and August to obtain taxpayer comments.
- In September, the final budget is legally enacted through the passage of an ordinance.
- The Town Council must approve any revision that alters the total expenditures of any fund or transfers budgeted amounts between departments within any fund.
- The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund presents a comparison of budgetary data to actual results. The

General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

- Appropriations lapse at year-end.
- The fund total is considered the legal level of control.
- The effects of budget amendments have been applied to the "final" budgetary data.

NOTE 4 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries insurance. Insurance against losses is provided for the following types of risk: workers compensation and employer liability, general liability and automotive liability, real and personal property damage, and automobile physical damage. Commercial insurance has also been purchased by the Town to cover the risks of loss due to employee errors or omissions. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 5 – PROPERTY TAX

The Bradford County Tax Collector bills and collects property taxes for the Town. The Town's property tax revenues are recognized when levied, to the extent that they result in current receivables. Current year property tax revenues recognized are those collected within 60 days after year-end.

Details of the Town's property tax calendar are presented below:

Lien date	January 1
Levy date	November 1
Installment payments	
1st Installment	No later than Jun. 30
2nd Installment	No later than Sep. 30
3rd Installment	No later than Dec. 31
4th Installment	No later than Mar. 31
Regular payments	
Discount period	November - February
No discount period	March
Delinquent date	April 1

NOTE 6 – LONG-TERM DEBT

As of September 30, 2025, the Town had no outstanding long-term debt.

NOTE 7 – CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2025, was as follows:

Governmental Activities:

	9/30/24	Increases	Decreases	9/30/25
Capital assets not being depreciated:				
Land	$ 159,471	$ 21,950	$ -	$ 181,421
Total	159,471	21,950	-	181,421
Capital assets being depreciated:				
Buildings and Improvements	329,566	7,987	-	337,553
Machinery and Equipment	96,160	-	-	96,160
Infrastructure	1,162,205	-	-	1,162,205
Total	1,587,931	7,987	-	1,595,918
Less accumulated depreciation:				
Buildings and Improvements	(221,034)	(7,667)	-	(228,701)
Machinery and Equipment	(33,163)	(6,533)	-	(39,696)
Infrastructure	(57,356)	(38,740)	-	(96,096)
Total	(311,553)	(52,940)	-	(364,493)
Total capital assets being depreciated, net	1,276,378	(44,953)	-	1,231,425
Governmental activities capital assets, net	$ 1,435,849	$ (23,003)	$ -	$ 1,412,846

Enterprise Activities:

	9/30/24	Increases	Decreases	9/30/25
Plant and Improvements	$ 1,001,851	$ 209,128	$ -	$ 1,210,979
Less accumulated depreciation	(566,176)	(35,519)	-	(601,695)
Total capital assets being depreciated, net	$ 435,675	$ 173,609	$ -	$ 609,284

Depreciation expense for governmental activities was charged as a direct expense to programs as follows:

General Government	$ 6,250
Public Safety	1,419
Transportation	38,740
Culture and Recreation	6,531
Total	$ 52,940

Depreciation expense for business-type activities totaled $35,519.

Plant and Improvements	$ 35,519

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor(s) cannot be determined at this time although the Town expects amounts, if any, to be immaterial.

During the year ended September 30, 2025, the Town expended the remaining $5,454 of American Rescue Plan Act funds (ARPA). As of September 30, 2025, the Town had expended the full amount of the $168,287 ARPA funds received, and no unexpended ARPA funds remained.

During the year ended September 30, 2025, the Town was awarded a $600,000 grant for housing assistance related to three homes. As of September 30, 2025, activity related to the grant was limited to accepting applications from potential participants. No eligible project costs had been incurred, no reimbursement requests had been submitted, and no grant revenue or related expenditures were recognized in the financial statements.

The Town was also awarded state financial assistance through the Florida Department of Financial Services, Division of State Fire Marshal, for fire-related projects, including $662,500 for the purchase of a pumper truck and $506,096 for the Brooker Fire Station project. As of September 30, 2025, no eligible project costs had been incurred, no reimbursement requests had been submitted, and no grant revenue or related expenditures were recognized in the financial statements for these awards.

During the year ended September 30, 2025, the Town received and expended funds under a grant agreement with the Suwannee River Water Management District for the Brooker AMR Water Meter Replacement project. The agreement was amended to increase total project funding to $209,128, consisting of $126,204 from the Florida Department of Environmental Protection and $82,924 from the Suwannee River Water Management District. The Town also provided a non-cash match of $10,800 related to meter relocation on private property. As of September 30, 2025, all funds had been received and expended, and no unexpended funds remained.

NOTE 9 – PRIOR PERIOD ADJUSTMENT

During the year ended September 30, 2025, the financial statements were adjusted to correct an unsupported interfund due to/from balance previously reported between the General Fund and the Water Fund. The balance had been carried forward from prior years; however, supporting documentation was not available to substantiate the amount. Accordingly, the unsupported interfund receivable and payable were removed from the financial statements, as shown below

Fund	Beginning Balance, Previously Reported	Adjustment	Beginning Balance Restated
General Fund - Fund Balance	$404,654	$ (8,653)	$396,001
General Fund - Due From other funds	8,653	(8,653)	-
Water Fund - Net Position	611,898	8,653	620,551
Water Fund - Due to other funds	(8,653)	8,653	-

NOTE 10 – SUBSEQUENT EVENTS

The Town has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through May 15, 2026, the date the financial statements were available to be issued. There were no subsequent events requiring recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BROOKER, FLORIDA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable/ (Unfavorable)
Revenues				
General Revenues				
Taxes				
Property	$ 3,245	$ 3,245	$ 3,165	$ (80)
Discretionary Sales Surtax	60,000	60,000	56,601	(3,399)
Franchise and Utility Taxes	12,250	12,250	12,433	183
Local Option Gas Tax	31,000	31,000	35,767	4,767
Local Half Cent Tax	31,000	31,000	24,692	(6,308)
Communication Tax	7,500	7,500	7,330	(170)
Intergovernmental Programs	23,000	23,000	21,111	(1,889)
Fines and Forfeitures	200	200	279	79
Licenses and Permits	-	-	387	387
Rental Income	2,500	2,500	3,275	775
Operating Grants	-	5,454	5,454	-
Investment Income	6,000	6,000	4,896	(1,104)
Miscellaneous	15,605	49,057	2,702	(46,355)
Total Revenues	192,300	231,206	178,092	(53,114)
Expenditures				
Current				
General Government	141,400	180,306	126,524	53,782
Public Safety	-	-	7,383	(7,383)
Physical Environment	16,000	16,000	12,905	3,095
Transportation	20,500	20,500	12,515	7,985
Culture and Recreation	14,400	14,400	7,930	6,470
Capital Outlay				
Public Safety	-	-	21,950	(21,950)
Culture and Recreation	-	-	7,987	(7,987)
Total Expenditures	192,300	231,206	197,194	34,012
Excess of Revenues Over Expenditures	-	-	(19,102)	(19,102)
Fund Balance, Beginning of Year	-	-	404,654	404,654
Prior Period Adjustment	-	-	(8,653)	(8,653)
Fund Balance, End of Year	$ -	$ -	$ 376,899	$ 376,899

See accompanying notes to the financial statements.

COMPLIANCE SECTION

Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor
and the Town Council
Town of Brooker, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Brooker, Florida, (the Town) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 15, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did identify certain deficiencies in internal control, described below, that we consider to be significant deficiencies. We did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Finding 2025-001
Financial Statement Preparation

Criteria
A system of internal control over financial reporting should include controls over the preparation of financial statements, including the related footnote disclosures, in accordance with accounting principles generally accepted in the United States of America. Management is responsible for the preparation and fair presentation of the financial statements. While the auditor may assist with financial statement preparation, management must have sufficient skill, knowledge, or experience to oversee the service, review the financial statements, and accept responsibility for them.

Condition
The Town does not have personnel with the technical expertise necessary to draft the financial statements and all required footnote disclosures in accordance with generally accepted accounting principles. As a result, the Town relies on the auditor to assist with the preparation of the financial statements and related disclosures.

Cause
The Town is a small government with limited accounting staff and resources. Management has not employed or contracted with personnel who have the level of technical knowledge required to independently prepare GAAP-basis financial statements and related footnote disclosures.

Effect
This condition increases the risk that material misstatements or disclosure omissions could occur and not be prevented, detected, or corrected by the Town on a timely basis. It also results in the auditor assisting with financial statement preparation, which must be evaluated as part of the audit process.

Recommendation
We recommend that management continue to review the financial statements and related footnote disclosures in detail and document its review and approval. Management should also consider obtaining additional training or outside assistance, separate from the auditor, to strengthen its ability to oversee the preparation of GAAP-basis financial statements and disclosures.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 15, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Honorable Mayor
and the Town Council
Town of Brooker, Florida

Report on the Financial Statements

We have audited the financial statements of the Town of Brooker, Florida, as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated May 15, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with AICPA *Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550 Rules of the Auditor General. Disclosures in those reports, which are dated May 15, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings and recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town of Brooker, Florida was established by Chapter 6329, Laws of Florida, Special Acts in 1911. There were no component units related to the Town of Brooker, Florida.

Financial Condition and Management

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town of Brooker, Florida has met one or more of the conditions described in Section 218.503(1) Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Town of Brooker, Florida did not meet any of these conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Town of Brooker, Florida. It is management's responsibility to monitor the Town of Brooker, Florida's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by management.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any recommendations to be reported under this section.

Property Assessed Clean Energy Programs (PACE)

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Town did not have a property assessed clean energy (PACE) program that finances qualifying improvements authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, operated within the Town's geographical boundaries during the fiscal year under audit.

Special District Component Units

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. The Town of Brooker, Florida did not have any component units for the fiscal year.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Mayor, Town Council, Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 15, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

INDEPENDENT ACCOUNTANT'S REPORT

To the Honorable Mayor
and the Town Council
Town of Brooker, Florida

We have examined the Town of Brooker, Florida's (the Town) compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the Town's compliance with those requirements. Our responsibility is to express an opinion on the Town's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the Town and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 15, 2026

Powell and Jones CPA

204 N. Marion Ave.
Lake City, Florida 32055
Phone: 386.755.4200

Communication with Those Charged with Governance

To the Honorable Mayor
and the Town Council
Town of Brooker, Florida

We have audited the financial statements of the Town of Brooker, Florida (the Town) for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Town's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management corrected the identified misstatements, including the prior-period correction related to the unsupported interfund due to/from balance. A listing of corrected misstatements was provided to management and is available for review. There were no uncorrected misstatements other than those considered clearly trivial.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 15, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

This information is intended solely for the use of the Town Council and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 15, 2026